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Another Hot Potato for the Senate

STATINTL

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A Midwestern Republican explained:

"It's one of those things senators don't talk about freely. You sure don't hear much discussion while waiting for a committee quorum or when you meet another senator in the hallway, but you know it's on everybody's mind."

From an Eastern Democrat:

"The first two questions I asked myself were 'what do I have in my files that might be damaging' and 'can I trust my staff.'"

Both senators were talking about what has become the most discussed but least publicly mentioned topic on Capitol Hill—the allegations of improper conduct leveled

against Sen. Thomas J. Dodd, D-Conn., by columnists Drew Pearson and Jack Anderson.

Over the last 2½ months, the authors of the syndicated "Washington Merry-Go-Round" have written 21 columns critical of Dodd. During that time, the subject was mentioned only once on the floors of Congress—and then by a freshman representative who was promptly gavelled down because he violated congressional rules and tradition by referring to Dodd by name.

But in the privacy of senatorial offices, at luncheon tables where those present are trusted and at parties across the city, the "Dodd case" is frequently discussed.

Even in their private comments, senators and representatives are extremely cautious. As one senator



The door to Senator Dodd's office, center of the Senate's newest ethics case.

explained, "I've tried to be honest, but I suppose there's stuff like this someone could dig up and use against me. When you're up for election, it's not what you do but how you look to the voters that counts."

"I don't want to pass judgment at this time, but I'm rather amazed at the allegations," said another senator. "I hope we can deal with the problem properly and avoid the 'whitewash' charge we had during the Baker case."

Many members of Congress acknowledge privately that the Bobby Baker investigation came too close to tarnishing their collective image. They don't want another scandal, particularly in an election year.

Apparently determined to prove that the Senate can establish and enforce its own ethical standards, the six-man Senate Ethics Committee has accepted the Dodd case as its first major challenge.

General Accounting Office and Justice Department investigators have been borrowed to assist the committee's three-man staff and

"additional staff implementation is under consideration," according to a committee source.

Another congressional committee, the Federal Bureau of Investigation, and the Internal Revenue Service also have become involved in the case. And a White House aide has made discreet inquiries about the charges against Dodd, a strong supporter and friend of President Johnson.

The FBI is conducting its own investigation and the IRS and Justice Department are watching developments closely for any possible law violations.

The Senate Foreign Relations Committee, on which Dodd sits, has considered the possibility of a conflict of interest on his part, but has taken no action.

The Pearson-Anderson columns, larded with quotes from letters and memos allegedly written by Dodd, include these allegations against the veteran senator:

1. He improperly collaborated with Julius Klein, a retired Army major general who operates a Chicago public relations firm and is registered with the Justice Department as a foreign agent representing a group of West German businessmen.

2. He diverted more than \$55,000 in campaign contributions to his personal bank accounts, in violation of federal law, and failed to report the contributions in his 1961 federal income tax return.

3. He paid for personal liquor purchases, vacation trips for himself and his family and expenses for personal parties by drawing money from a campaign fund earmarked to pay re-election expenses.

4. The car he drives was paid for by a Connecticut contracting firm and "he also flies in style around the country in assorted company planes." In return for these favors, Dodd allegedly has sought government contracts for those who provided him with free transportation.

Question of Ethics Raised

Most of the accusations against Dodd have centered around his relationship with Klein. In the first of the current series of columns on Dodd, printed Jan. 24, Pearson and Anderson said:

"Dodd has delivered laudatory Senate speeches about West Germany, signed letters that Klein drafted for him and entertained German visitors on Klein's expense account."

"When the Senate Foreign Relations Committee investigated Klein's operations as a foreign agent (in 1963), Dodd used his membership on the committee to soften the impact. He even made a special trip to Germany in 1964 to help Klein hang on to his clients."

The columnists said there was nothing illegal about the cooperation between the two men, but raised the ethical question of whether a senator should be at the "beck and call" of a "press agent and Washington lobbyist for West German interests."

For Klein, a former congressional aide with a penchant for name-dropping, the current probe represents the third time he has been accused of overstepping the bounds of propriety in his role as a foreign agent.

Allegations Denied

In 1957, Sen. George Smathers, D-Fla., was promoting a bill to have the U.S. retain the \$600 million in German and Japanese assets seized during World War II and invest the money in a scholarship fund for children of American veterans.

In testimony before a Senate subcommittee, Smathers alleged that Klein's public relations firm and two Washington law firms were conducting a "ceaseless" lobbying effort to pressure Congress to return the alien property to the two defeated nations.

Describing Smathers' allegation as "incorrect," Klein said neither he nor his firm had "a monetary interest in the return of vested property."

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